Title: Discussion regarding Disinvestment Policy of Government raised by Shri Indrajit Gupta on the 16th of December, 1999 (Cont. - Concluded).

14.21 hours

MR. CHAIRMAN: The House will now continue the discussion under rule 193. Shri Sudip Bandyopadhyay.

SHRI SUDIP BANDYOPADHYAY (CALCUTTA NORTH WEST): Sir, today, while initiating the discussion under rule 193 on `Disinvestment policy of Government", I would rather propose to consider the economic and humanitarian aspects of the problem. Unemployment has reached sky-rocketing heights. In addition to that, if disinvestment and closure of public sector units take place, it will be a real challenge and a difficulty for those employed in the various Central public sector units, the number of which has been mentioned by hon. Members who spoke before me; and the problem of unemployment will not only be acute but will also cross all limits of tolerance.

What are the main reasons for sickness? The basic reasons for sickness were investigated by the Committee on Public Undertakings last time and I was a Member of that Committee and a few reasons were detected. Those were low capacity utilization, frequent equipment break-down, ageing of plants, power shortages, industrial relations problems and lack of competitiveness. Some proposals for remedial action were also mentioned in the last Report of the Committee on Public Undertakings like induction of new technology, budgetary support and rationalization of management.

We urge the Government to consider on top most priority the disinvestment proposals and the proposals declared for closure and VRS and announce its ideas and attitude. We feel that the Government is in total confusion and that it has failed to project its views and ideas. What are their ideas so far as the disinvestment policy is concerned?

I congratulate the new Minister. I think, he has his own dynamism, he has his own imagination and he has his farsightedness and managerial efficiency. I believe that with all these qualities, he would try to go into the details and realize the problems which have been mentioned here in a very broad-based manner.

A Disinvestment Commission was formed on 23.08.1996. This Commission submitted its 12th report and the United Front Government could not do anything about that report. Now, the BJP-led Government in which we are also a partner also did not do anything and this Commission"s report is gathering dust only. That Commission, after three long years of its tenure, submitted its report and what is the fate of that report? How far are the recommendations being considered? What are the views expressed on it? May I know whether the Government is going to accept it or not? Some positive announcement and some positive ideas are to be placed before the House.

We are also concerned with a few of the Central Public Sector Units in the State of West Bengal. Hon. Minister, Kumari Mamata Banerjee made an appeal to the hon. Prime Minister and the hon. Prime Minister categorically assured that some alternative revival packages would be considered before declaring closure of a few Central Public Sector Units. Some such Public Sector Undertakings are: Mining and Allied Machinery Corporation (MAMC), National Bicycle Corporation of India Limited (NBCIL), Cycle Corporation of India, Bharat Opthalmic Glass Limited, National Instruments Limited, Weighleord India Limited, Tannery and Footwear Corporation Limited (TAFCO) - of course, this is in Lucknow which is hon. Prime Minister"s constituency - and Rehabilitation Industries Corporation of India.

The Prime Minister assured that so far as these Central Public Sector Units are concerned, before their declared closure, they will be kept under consideration. Hon. Minister Shri Pramod Mahajan also, on behalf of the Central Government, in a rally at the Brigade Parade Ground categorically assured that the Cabinet will hold a meeting to consider the proposal about which the hon. Prime Minister made us aware. We will have to enquire whether it is a fact at all. An amount of Rs.517 crore is required for discharging workers" liabilities on account of VRS and an amount of Rs.300 crore is required for rehabilitation. If an amount of Rs.300 crore is allotted, then they can reconsider it. The Government is running fast now behind the VR Scheme.

Coming to PESB, it was set up on 30.08.1974; in PESB, senior level postings are taken away by the retired bureaucrats. The PESB has now become a heaven for the retired bureaucrats who are heading the Central Public Sector Units either as the Chairmen or as the Managing Directors. We would appeal to the hon. Minister that instead of making the Central Public Sector Units as the heaven for the retired bureaucrats, they should ensure participation of the workers in management. If we find that representation of workers is there in the management, then we firmly believe that there will be a sense of higher production and a good environment. The management is to be managed in the managerial way and not to be managed by the bureaucracy only. We have very well established Central Public Sector Units in our country.

MR. CHAIRMAN : Please conclude now.

SHRI SUDIP BANDYOPADHYAY : They are called as Navarathnas. Some of the very well run Public Sector Undertakings are: BHEL, SAIL, NTPC, NHPC, ITI, IOC, VSNL, NFL, RCF, Indian Airlines, GAIL, etc. They have established their command and credibility.

So far as the Central PSUs are concerned - about which Shri Basu Deb Acharia was mentioning the other day - there are 246 Central PSUs.

MR. CHAIRMAN: Shri Sudip Bhandyopadhyay, please conclude now.

SHRI SUDIP BANDYOPADHYAY : I have just started. Please give me five minutes more.

Out of that, we have 11 excellently run CPSUs. 97 profit-making PSUs are there which are known as mini-ratnas. And 108 Central

PSUs have been offered strategic buyers. What does the strategic sale imply? Is it a fact that the strategic sale implies sale of a substantial block of government holding to a single party which will acquire substantial equity holding of 60 per cent? If it is a fact then gradually this strategic buyer will automatically become the key holder of the company. So, the Government should come out categorically what does it want to say.

Public Sector Modernisation Fund should be immediately established. This will provide financial assistance to the PSUs. This will help in restructuring as well as modernisation of the PSUs. What role does this fund play, we would like to know. Standing Conference of Public Enterprises have proposed to set up a Restructuring Commission to plan a long term strategy for PSUs. This Commission would evolve an overall strategy for PSUs and would not look at sale to bridge fiscal deficit.

We are positively opposed to the idea of disinvestment. From the very beginning it appeared that Shri Yashwant Sinha, the hon. Finance Minister was not looking after the problems seriously as he was over-burdened with his ministerial job. We firmly believed that, when a separate Ministry had been announced, a person like Shri Arun Jaitley will definitely look into the problems. If necessary, he will call tripartite meetings, take the unions into confidence or consult those who are really capable of giving good ideas. The Committee on Public on Undertakings went in great detail about restructuring of sick units, modernisation of the units or making sick units viable. Such reports need to be looked into. The Government should not act in a bias way as this will not only result into unemployment but also may create other social problems. We feel that these disinvestment proposals are to be dealt with very firmly. Top priority should be given to give relief to the working class of our country.

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डॉ. रघुवंश प्रसाद सिंह (वैशाली) : समापति महोदय, नियम १९३ के अधीन डिस-इंवेस्टमेंट पॉलिसी यानी विनिवेश नीति पर फादर ऑफ द हाउस, श्री इन्द्रजीत गुप्त जी द्वारा बहस छेड़ी गयी है और उस नीति पर बहस करते हुए यह जानकारी मिली कि इस पर एक अलग विभाग कर दिया गया है फिर एक और अलग विभाग किया गया इंफोर्मेशन टेकनोलॉजी का। उसके श्री प्रमोद महाजन संसदीय कार्य मंत्री तथा सूचना प्रोद्यौगिकी मंत्री बनाये गये हैं। श्री अरूण जेटली, जो जयप्रकाश नारायण जी के आंदोलन के एक मेधावी छात्र नेता थे और जो मशहूर वकील भी है, को सूचना और प्रसारण मंत्रालय में राज्य मंत्री बनाया गया है। लेकिन देश भर में अफवाह यह है कि प्रधान मंत्री जी अपने नजदीकी लोगों को जूसी विभाग देते हैं। अब पता नहीं उन्होंने यह देश को बढ़ाने वाला काम किया है या नहीं।

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">14.35 hrs (

">अध्यक्ष महोदय पीठासीन हुए)

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">इलैक्शन पर जो खर्चा होता है, उसमें पैसा जमा करने के लिए इन्होंने ऐसा किया है। ऐसी बड़ी गर्म अफवाह है। यह हमारे घनिष्ठ मित्र हैं और जयप्रकाश आन्दोलन में भी इन्होंने हिस्सा लिया था। जब देश के गांवों खास तौर से गरीब मजदूर वर्ग का सवाल आता है तो हमें मुस्तैद होना पड़ता है। डबल्यू.टी.ओ. और उदारीकरण की नीति के चलने के बाद इस बात की क्यों छानबीन नहीं होती है कि क्या इससे कुछ सुधार हुआ है या नुकसान हुआ है? स्माल स्केल इंडस्ट्रीज वाले आज भटक रहे हैं। डिसइन वैस्टमैंट पालिसी बनाने के बाद एक कमीशन बना। जब से पब्लिक अंडरटेकिंग्स आई देश में मिक्सड इकॉनोमी आई। उस समय से यह साजिश चल रही है कि किसी न किसी तरह पब्लिक सैक्टर को खराब किया जाए और प्राइवेट सैक्टर का बोलबाला हो जाए। हालांकि सभी लोग यह कबूल करते हैं कि पब्लिक सैक्टर की बढ़ोत्तरी से देश को ज्यादा लाभ हुआ है। प्राइवेट सैक्टर की बढ़ोत्तरी से मल्टीनेशनल आएंगे और अरबपति और खरबपति हो जाएंगे। हमारे देश में गरीबी, गैर बराबरी और बेरोजगारी की समस्या है। पब्लिक अंडरटेकिंग्स ने एक से एक महारथ हासिल किया। उनकी देश की इकॉनोमी में बड़ा कंट्रीब्यूशन है। इससे कई लोगों को रोजगार प्राप्त हुआ। लेकिन कुछ कारणों से उनकी हालत खराब होती चली गई और वे सिक हो गई। यह चिंता का विषय है। कमीशन ने अपनी रिपोर्ट में कहा है कि रुग्ण उद्योगों के शेयर सरकार बेचने की कोशिश करे। जो पब्लिक अंडरटेकिंग्स मजबूत हैं और प्राफिट में हैं, सरकार उनके शेयर क्यों बेचना चाहती है? रामकृष्ण कमेटी के चेयरमैन ने भी कहा कि सरकार ऐसा क्यों कर रही है? हम सरकार से इस बारे में स्पष्टीकरण चाहते हैं। गेल का शेयर १२७ रुपए में बेचना था लेकिन उसे ७० रुपए में क्यो बेच दिया? इसमें ६०० करोड़ रुपए का घोटाला हुआ। आप देश को बेच रहे हैं या शेयर बेच रहे हैं?

">... (व्यवधान)
">हम मंत्री जी से इसका जवाब चाहते हैं।">

">अध्यक्ष महोदय : मंत्री महोदय इसका जवाब देंगे।

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">डॉ. रघुवंश प्रसाद सिंह : इस पर पब्लिक अंडरटेकिंग्स के बड़े-बड़े अफसरों ने बहस की और सभी ने कहा कि सरकार इसमें ठीक ढंग से काम नहीं कर रही है। इससे देश को ८५ परसैंट नुकसान हुआ है। इसमें केवल १५ परसैंट का ही फायदा सरकार को हुआ। सरकार विनिवेश की नीति को चौपट राह पर ले जा रही है। इससे बेरोजगारी बढ़ेगी। हम इनकी पालिसी का विरोध करते हैं। इसके लिए संसद की एक जांच कमेटी बहाल होनी चाहिए। देश भर में इसे लेकर बड़ा भारी संदेह है। यह अपने व्यवहार और नीति के मुताबिक जो शेयर बेच रहे हैं उससे देश का नुकसान हो रहा है। अपने देश को समझ लो यारो जैसे हो कोई बड़ी दुकान, अपने-अपने हिस्से को सब बेच रहे हैं।

... (व्यवधान)
अध्यक्ष महोदय : रघुवंश जी, आप प्लीज चेयर से कोआपरेट करें।">

">डॉ. रघुवंश प्रसाद सिंह : इस प्रकार शेयर बेचने से हमारे मन में बड़ा भारी संदेह है। इसकी जांच संसद की कमेटी से होनी चाहिए। आचार्य जी ने जो सवाल उठाया है कि इसकी छानबीन होनी चाहिए, उसका हम समर्थन करते हैं।

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">SHRI A.C. JOS (TRICHUR): Sir, it is unfair that you are not giving me an opportunity. I have given notice to speak on this discussion under Rule 193...(Interruptions)

">MR. SPEAKER: I have discussed it with Leaders of all Parties. We have to complete this discussion under Rule 193 and at 3 p.m., we have to take up the Private Members" Business. So, please cooperate with the Chair.

">... (Interruptions)

">MR. SPEAKER: I am appealing to the hon. Members to please cooperate with the Chair today. Now, the Minister may reply.

">... (Interruptions)

">MR. SPEAKER: What is the importance that this should continue for three days? I am appealing to you all to please cooperate with the Chair. More than eight Members have spoken on this subject. So, I am appealing to you to please cooperate with the Chair today.

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN JAITLEY): Mr. Speaker Sir, I am extremely grateful to you for this opportunity to respond to some very valuable opinions which have been expressed by several hon. Members yesterday and today.

">There had been two broad arguments made on the disinvestment policy. The first argument had been on the desirability of the disinvestment policy itself and the second, on the manner in which it has been implemented, if at all. I must confess that I was a little surprised that this question of desirability of having such a policy is raised eight years after it has been implemented by three successive Governments. The policy is not a creation since 1998. The thinking process on disinvestment in PSUs started in 1991-92. In fact, in the Industrial Policy Statement and in the Budget speech of 1991 itself, Dr. Manmohan Singh categorically said:

">"In the case of selected enterprises, a part of Government"s holding in equity share capital of these enterprises will be disinvested in order to provide further market discipline to the performance of the public sector enterprises."

">The process started in 1991. Yesterday, when Shri Dasmunsi was accusing the Government of liquidating public assets, I merely wanted to remind him, through you Sir, of what the Finance Minister had said in his Budget speech of 1991 in this regard. He was belonging to Shri Dasmunsi"s own party. Dr. Manmohan Singh had said in his Budget speech of 1991 like this:

">"For the founding fathers of our Republic, a public sector that would be vibrant, modern, competitive and capable of generating large surpluses was a vital element in the strategy of development. The public sector has made an important contribution to the diversification of our industrial economy but there have been a number of shortcomings. In particular, the public sector has not been able to generate internal surpluses on a large enough scale. At this critical juncture, it has therefore become necessary to take effective measures so as to make the public sector an engine of growth rather than (and I emphasise) an absorbent of national savings without adequate return. This has been widely accepted but the thought and action in this regard are still far apart. To bridge this gap, the portfolio of public sector investment would be reviewed so as to concentrate future operations of the public sector in areas that are strategic for our nation, require high technology for our economy and are essential for infrastructure. In order to raise resources, encourage wider participation and promote greater accountability upto 20 per cent of the Government equity in selected public sector undertakings would be offered to mutual funds and investments in institutions in the public sector undertakings as also to the workers of these funds."

">In fact, if I may mention, the argument of the then Finance Minister was that it is not to really bridge the fiscal deficit; the public sector is absorbing a part of the national savings and thereby creating, at times, a fiscal deficit. That was the argument advanced in 1991...(Interruptions)

">SHRI ANIL BASU (ARAMBAGH): What happened to the Rs.18,000 crore?

">SHRI ARUN JAITLEY: I will come to the Rs.18,000 crore also. I would tell you how much of it has been ploughed back into the public sector. I will give you all the figures.

">In 1996, when the United Front Government took over, the Common Minimum Programme was framed. Today, Shri Indrajit Gupta, one of our senior-most Members, said that he is, in principle, opposed to disinvestment. But the CMP did not say that it was opposed to disinvestment. In 1996, the CMP mentioned - to which the Left Parties were also a party - that the question of withdrawing the public sector from the non-core, non-strategic areas would be carefully examined subject, however, to assuring the workers and the employees of job security or, in the alternative, opportunities for retaining and redeployment.

">What happened during the period 1991 to 1996? Shri Dasmunsi asked us: "Why are you selling the shares of Hindustan Petroleum and Bharat Petroleum?" I just wish to correct him that not one share of the Hindustan Petroleum and the Bharat Petroleum has been sold since 1996. But it was certainly sold when the Congress Party was in power. The first share to be sold was in 1991 when the Congress Party was in power and that party implemented this disinvestment. They also asked us: "Why do you sell the shares of the Navratnas? Since 1991-92, it was the shares of the BHEL, Bharat Petroleum, the Hindustan Petroleum, the Steel Authority of India, GAIL, MTNL, Indian Oil and, ONGC which were sold when Dr. Manmohan Singh was the Finance Minister...(Interruptions)

">Therefore, they merely get up and ask why are the shares of the Navratnas sold, why are the shares of the Bharat Petroleum and the Hindustan Petroleum being sold. Since 1998, not one share of these companies has been sold. But, it was certainly sold when the Congress Party was in power.

">Sir, I read in the newspapers some days ago that in one of their party meetings, the then Finance Minister was criticised for some of his economic policies. I do not know whether this submission was a carry forward of that inner party debate into this House. I say this because the disinvestment took place when the Congress Party itself was in power. The same argument was raised with regard to the Navratnas as to why their shares are being sold. But even when the United Front Government was in power, the proposal of the VSNL and the MTNL to disinvest the shares of Indian Oil was, in principle, accepted during that period.
SHRI BASU DEB ACHARIA (BANKURA): We were opposed to that.

SHRI ARUN JAITLEY: I am sorry. Shri Indrajit Gupta was a senior Minister in that Government. The actual disinvestment of VSNL and

the MTNL took place when the United Front Government was in power, in which Government you were active, supporting members and participants. Shri Indrajit Gupta said that he is, in principle, opposed to disinvestment. It was that Government, that Cabinet which decided to disinvest this.

About the shares of Indian Oil Corporation, you said that it should never be disinvested. In principle, the decision was taken to disinvest the Indian Oil Corporation when the United Front Government was in power.

Mr. Speaker, Sir, a question has been raised. It was again raised as to what is being done with the amount which is realised as a result of disinvestment and whether it would be utilised for any social sector.

SHRI INDRAJIT GUPTA (MIDNAPORE): The break-up was not given by anybody.

SHRI ARUN JAITLEY: Well, I shall endeavour to give you the break-up. The figures speak for themselves as to how much of the disinvestment realisations is being used. The total amount invested in the Indian public sector by way of Governmental equities is more than Rs,90,000 crore. Regarding all the loans of the financial institutions and the other reserves of them taken together, the figure is as high as Rs.2,04,000 crore. This large national resource is held up in the public sector. I can see that some of them have done a commendable job. Since 1991-92, the disinvestment process has started. I would just give the figures for that period.

The budgetary support to the public sector by way of grants has been about Rs.35,000 crore and the total support of all kinds to revive the public sector has been Rs.61,968 crore. The total amount which the Government and various other institutions have ploughed back into the public sector is more than Rs.61,000 crore. Therefore, this whole argument that disinvestment takes place in order to bridge the budget deficit is not correct and I just have to rely on Dr. Manmohan Singh''s logic that at times the public sector is absorbing the national savings, because what the Government has realised from the public sector by sale of shares during this period was only Rs.18,288 crore.

SHRI BASU DEB ACHARIA : Mr. Speaker, Sir, if the hon. Minister could yield for a minute, I would like to ask a clarification.

Sir, the hon. Minister has talked about the total amount which has been invested or provided to the public sector. What we want to know is, out of this amount of Rs.18,288 crore, how much money you have provided for strengthening of the public sector or for making the public sector units viable?

SHRI ARUN JAITLEY: Sir, I am grateful for that intervention by Shri Basu Deb Acharia.

Sir, every realisation from the public sector, once the shares are sold, goes into the Consolidated Fund of India. So, an amount of Rs.18,288 crore went into the Consolidated Fund of India by sale of these assets, as on 30th November, 1999. As against this amount of Rs.18,288 crore which went into the Consolidated Fund of India, more than Rs.35,000 crore came out of that Consolidated Fund... (Interruptions)

SHRI ANIL BASU : What was the dividend?

SHRI ARUN JAITLEY: Sir, I am again grateful for that query.

As against this investment of Rs.90,000 crore to Rs.95,000 crore and the rest of the Government institutional finances which are stuck up there, the total dividend received during this eight to nine year period is Rs.9,971 crore. Therefore, the return that we have got out of this entire national resource of almost over Rupees Two lakh crore, over a period of nine years, is too low. In nine years, on simple interest, the money triples itself. But from this investment of over Rupees Two lakh crore, that is, loans and equity, the total realisation in terms of dividend is Rs.9,971 crore. The total amount so far obtained by sale of shares is about Rs.18,000 crore or so. The total support by various governmental agencies to keep the public sector going and to strengthen them is almost Rs.61,000 crore.

The hon. Member asked a question as to why this money is not spent on the social sector. I would like to inform him that much more than what is realised has been spent on the public sector itself. But, as I said, this entire money goes into the Consolidated fund of India and in 1991-92, the budgetary provision on the entire social sector was Rs.8,175 crore. When all these realisations come into the Consolidated Fund, last year, the actual was, not the estimated figure, Rs.29,570 crore and this year, the estimation is Rs.32,380 crore, which is 400 per cent of the figure of 1991-92. Therefore, to say that this amount is being used only for bridging the budget deficit may not be accurate, because much more than the amount realised from dividend and sale of shares is ploughed back to keep the public sector going and much more than has also been spent on the social sector.

Therefore, as far as the question as to why there should be disinvestment is concerned, the philosophy which was started in 1991 and which was evolved during the tenure of the United Front Government and the present Government is very clear and that is, a very large part of the national resource is held up in the public sector. It is erroneous to say that a national asset is being liquidated.

In fact, one of the interruptions was that the new department which has been formed is really an official liquidator. I would say that the argument, though attractive or prima facie does not hold ground for the reason that if public sector in this country or the companies in public sector are to revive, they need modernisation, they need investment, and they need money. Today, if the private sector is in a position to bring in all that to revive, no company is being liquidated. Some shares held by the Government are being sold to a private party. The companies would not close down; the corporations would not close down. The object is that the ownership gets broadbased, more funds are brought in, a professional management is brought in. Somebody who is going to spend Rs. 1,000 crore and buys shares of a public sector is not spending Rs. 1,000 crore to buy shares in order to close down the company. His object is going to be that the company must be revived, the company must be modernised, the company must be made professional and it must be made profitable. That was the whole philosophy behind disinvestment which was started in 1991. Once that takes place, the workers'' interests in a grown concern are going to be much more protected rather than allow a public sector with lack of resources to face difficulties on its own strength.

During the course of the debate, several questions have been raised. Shri Indrajit Gupta had raised a question that there appeared to

be an apparent contradiction in the Finance Minister''s speech in the Rajya Sabha. I may point at that he was quoting it from his Budget Speech of 1998. The printed text of the proceedings in the Rajya Sabha is:

"In the case of public sector enterprises inviting speedy considerations, the Government will continue to hold a majority shareholding."

This is a quotation from the Budget Speech which has been misquoted in the speech itself. The actual words were:

"In the case of public sector enterprises involving strategic considerations, the Government will continue to retain the majority holding."

This is precisely what the Minister of Finance had said in the Budget speech.

SHRI INDRAJIT GUPTA : What would happen in regard to the others? He said something about 26 per cent.

SHRI ARUN JAITLEY: With regard to others, the speech of the Minister of Finance was very clear. I may read it out:

"In a generality of cases, the Government have decided that the Government shareholding in public sector enterprises would be brought down to 26 per cent."

Keeping the constraint of time in view, I will merely point out that a question was raised: "Is there any proposal to revive the sick public sector?" The answer is: `yes''. Forty-two proposals for revival of the public sector are pending. Nineteen have been cleared and 23 proposals are pending consideration.

A question raised by several Members was: "Why was the Disinvestment Commission wound up?" I may clarify in this regard that the Disinvestment Commission was constituted on 23rd August, 1996. It was for a period of three years. The term would have normally lapsed in August, 1966. It was extended to

30th November, 1996. Thereafter, the term has lapsed in 1999. The new Commission is now to be freshly constituted. The process is already under way. I can assure this House that there would be a new commission which would be constituted.

A very valuable suggestion came from Shri Dasmunsi: "Why should a C&AG audit not be undertaken with regard to the sales which take place of the shares of the public sector?" I may inform him that right from 1991-92, when this exercise was undertaken, a C&AG audit has regularly and continuously been undertaken. The C&AG reports in this regard are available. Obviously, the C&AG audit being there, the same would continue.

A question was also raised as to why there was the need and desirability of a new Department. It has been pointed out by several Members. Even in the past and in some cases, these disinvestment process were held up because several agencies were involved within the Government. A nodal Ministry has been created now in order to handle the process of disinvestment itself. Earlier, it was the Department of Public Enterprises, the administrative Ministry, the Ministry of Finance, who were all involved in this particular process. I only say that a new Department has been created.

I am in this Department for only for a few days.

We are going to endeavour to take the utmost care that the disinvestment process which take place is done in the best public interest and efforts will be made to realise the maximum amount as a value of each transaction. There would be complete transparency of all process. In fact, in the other House, Shri Pranab Mukherjee had made some valuable suggestions which we are considering with regard to even codifying the process and the workers'' interests in all eventualities would be given utmost consideration.

Already questions have been raised in regard to the sale of the GAIL shares. It has already been discussed here and answered; I have nothing more to add here.

SHRI PRIYA RANJAN DASMUNSI (RAIGANJ): Why was it sold when the rate was so low? That was the question yesterday.

SHRI ARUN JAITLEY: While the question has already been answered, let me say so. There was a process of selling of shares through a GDR Issue. That process started in 1996. It is a transparent internationally accepted book-building process by which the disinvestment takes place in that GDR Issue. It is that transparent process of book-building which was followed in the present case in GAIL also. That the prices would come down or the prices would go up, really is a matter which can happen. The Government at one time decided not to sell at Rs.110 because nobody...

SHRI PRIYA RANJAN DASMUNSI : A different advice was given for ONGC and another advice was given for GAIL.

SHRI ARUN JAITLEY: Nobody is able to time the market. For instance, when the price was Rs.120 and Rs.110, maybe the Government would have been wise enough at that time to sell it. In February that year the domestic market was at Rs.60 and even after the GDR Issue, the price of the share is much lower than what it has been sold. Nobody can time the market, nobody can predict the market. The process which has been followed in the GAIL issue also is a book-building process which was devised in 1996 and is continuously followed.

MR. SPEAKER: Yes, only one or two clarifications and the hon. Minister may note down all of them first and then reply to them.

SHRI NARAYAN DATT TIWARI (NAINITAL): The hon. Minister gave a negative name to the Department, `Disinvestment Department''. He should have called it `Investment Planning Department''. I would urge the hon. Minister not to give a negative name... (Interruptions)

SHRI ARUN JAITLEY: If the hon. Member thinks that disinvestment is a euphemism which indicates that there is a liquidation, he should consider that it is an effort to revive some of our sick public sector units.

SHRI BASU DEB ACHARIA : Although the Disinvestment Commission recommended very categorically for setting up of a

Disinvestment Fund, uptill now this is only on papers. I would like to know from the hon. Minister how much money has been deposited in the Disinvestment Fund. He has not given answer to that question and he has given a general reply regarding the total amount which has been provided. Although there is a reduction from 32 per cent to 13 per cent in the Budgetary Support, he has not given the percentage by which it has been raised because of disinvestment all these eight years, and how much has been provided out of the amount raised by selling out the shares of public sector undertakings... (Interruptions)

MR. SPEAKER: Shri Acharia, you have already participated in the debate.

SHRI A.C. JOS (TRICHUR): Sir, the hon. Minister mentioned about the restructuring of the public sector undertakings. He has said that some decisions has been taken and many are pending. But there is a difficulty with regard to the financial transactions because discussions are going on for one year or two years and by that time that public sector undertaking dies. In the case of FACT, Kerala, it is pending for the past two years and no decision has been taken. My pointed question is, will the hon. Minister take a quick decision on public sector undertakings and somehow or the other revamp the public sector undertakings which can be revamped?

SHRI S. JAIPAL REDDY (MIRYALGUDA): At the outset, I am sorry to seek clarification after the concerned Minister made a statement on the sale of shares by GAIL.

Since my good friend, Shri Arun Jaitley offered to make some comments, could I take the liberty of seeking further clarifications on the basis of the points he made? He said, in the process of his brief comment, that book building of shares of GAIL at one stage went up to Rs.110 to Rs.115. The then Government did not consider it proper to disinvest at that stage apparently because the Government of that time was told by the Merchant Bank that, it was not the right price. The minimum price indicated by the Merchant Bank at that time, I understand, was at least Rs.120. The Merchant Bank, in fact, stated at that time, I am told, subject to confirmation from the Minister that the intrinsic value of the share of GAIL was Rs.150. This was at that time when the SENSEX of our Stock Market was ruling at 3,600 points. Now, it is hovering around 4,600 points. This was at that time when Dowjones was hovering around 5000 points. It has now shot through 10,000 points. Thirdly, this was a time when the price of gas, internationally, was far lower than they are today. Therefore, the intrinsic price of GAIL"s share should be much higher than Rs.150. In the background you are prepared to make a distress sale. I do not know whether it is a distress sale or distressing sale. Will you kindly shed light on this?

SHRI PRAVIN RASHTRAPAL (PATAN): Mr. Speaker, Sir, thank you very much for calling me. In fact, my name was there in the Party"s list of speakers but some of us have agreed not to speak. I have got only one clarification.

MR. SPEAKER: You be very brief because we have to take up the Private Members" Business.

SHRI PRAVIN RASHTRAPAL : All right, Sir. IPCL is in Gujarat. All the three employees organizations, INTUC, AITUC and BMS, have approached the Gujarat High Court against disinvestment. The Employees Association of SC and ST Welfare has also certain apprehensions about the disinvestment of IPCL. According to my information, the Government has already decided to go ahead. At present, there are 13,000 employees. The IPCL came into being in the year 1969. On account of the reservation policy which was implemented from the year 1971-72, 2,500 SC and ST employees are already working. They are afraid that the reservation policy will be stopped, the moment the private share-holding goes beyond 30 per cent. The present share-holding of Government in IPCL is 59 per cent. If you give 31 per cent for private share-holding, it becomes a private sector. So, they are afraid that the policy of reservation will be stopped. What is the solution for the SC and ST employees? I would like to know whether the Government will give its assurance that in case of disinvestment taking place not only in IPCL but also in any other Public Sector Undertakings, the policy of reservation shall and will continue. It is not only the employees" associations but also the land owners who have given land to these people have also gone as appellants.

श्री रतिलाल कालीदास वर्मा (धन्धुका) : श्री प्रवीण राष्ट्रपाल ने जो कहा, मैं भी उसका समर्थन करता हूं।

MR. SPEAKER: So, you can associate with him.

SHRI PRIYA RANJAN DASMUNSI : I want to make only one point. The hon. Minister has stated just now that the process of auditing of C&AG in such cases have been continuing. I am not saying that. What I am saying is that there is a specific recommendation of the Commission that while disposing of the shares, immediately without delay the matter should be taken up with the C&AG and based on their comment, one should process the whole thing. I would like to know whether this has been done in case of GAIL. That was my question yesterday.

PROF. A.K. PREMAJAM (BADAGARA): All along, our hon. Minister while making comments had been harping on the point that disinvestment was started in the year 1991 and both the Congress and the UF Governments had continued this. Of course, the UF Government did not take any decision on this. But they said that the matter would be examined. I am not going into it at length. My question to the hon. Minister is: "What is your policy on disinvestment?" It is because the National Agenda for Governance of the last Government, that is, the Government which was in power during the 12th Lok Sabha, which in fact, is being continued de facto during the 13th Lok Sabha, has said:

"The reforms process will continue". However, a strong `Swadeshi" thrust will be given to ensure that the national economy grows on the principle that "India shall be built by Indians."

This is my question.

Then, you have said about taking care of employment. I am not going to dwell at length on this point for want of time. I will just quote one example of the Indian Drugs and Pharmaceuticals Limited, Hyderabad.
Now, as per a representation which had been given to us, two months salary has not been paid to the employees so far. This is the way this Government is taking care of the interests of the employees. This is the representation. (Interruptions). The question is: how this particular department, the newly created Disinvestment Department, which in my opinion is dismantling the public sector and destroying the public sector, is going to handle this particular point, i.e., taking care of the interests of the employees at large?

SHRI PRIYA RANJAN DASMUNSI : Please inform the House when are you coming out with the policy.

SHRI ARUN JAITLEY: Sir, since Shri Dasmunsi has raised this issue and that is also the last issue raised, the policy under which the Government has been acting in regard to disinvestment was specified in the previous two Budgets. The policy is, and I quote from the speech of the Minister of Finance in the 1998-99 Budget:

"Government have decided that in the generality of cases, the Government shareholding in public sector enterprises will be brought down to 26 per cent."

"In case of public sector enterprises involving strategic considerations, Government will continue to retain majority holding."

"The interest of workers shall be protected in all cases."

This was reaffirmed in 1999-2000 Budget. I quote:

"The Government"s strategy towards public sector enterprises will continue to encompass a judicious mix of strengthening strategic units, privatising non strategic ones through gradual disinvestment or strategic sale and devising viable rehabilitation strategies for weak units."

A question was raised with regard to the setting up of the Disinvestment Fund as to what the Government propose to do and as such a fund had been suggested.

Now, this Fund was suggested when the United Front Government was in power. The Fund has, till date, not been put into action. The Minister of Finance while answering the debate in the other House has already clarified and I reaffirm what he has said: "We are soon going to take a decision in regard to the actual setting up of the Disinvestment Fund where ten per cent of the proceeds will go"...(Interruptions).

SHRI BASU DEB ACHARIA : After eight years.

SHRI ARUN JAITLEY: I am sorry it was suggested in 1996. If you say after eight years...(Interruptions). Since 1991 it has not been set up and since 1996 it has not been set up. (Interruptions).

SHRI BASU DEB ACHARIA : Disinvestment Fund was set up in 1996. How much have you deposited?

SHRI ARUN JAITLEY: Therefore, in 1996-97 it was not set up. I am only reiterating what the Minister of Finance has said that we are taking steps to set up this Fund where ten per cent of the proceeds will go.

A question was raised that the restructuring process and a decision-making process takes a lot of time. By the time the market conditions change, the situation may even become worse. This is precisely the reason why one nodal agency has been created with regard to taking of decisions in this matter.

As far as Gas Authority of India Limited is concerned, Shri S. Jaipal Reddy has raised this question, though the same question was raised in an earlier debate. My senior colleague, Shri Ram Naik has already answered it. Your entire argument overlooks one basic factor that the rate of shares in the stock market -- domestic or international -- never remains the same. Because that they never remain the same, nobody has been able to time the market and predict what the prices on a future date are going to be. When you delay decisions, in these cases, after in principle deciding to sell and you wait for years, the prices may further go down, as it happened in this case. Not only do you suffer by way of prices going down, you also suffer on account of the opportunity cost that you have missed during those two to three years.

Therefore, the price at which it was sold was almost at par with the prevalent price. The domestic price was marginally higher because the domestic market itself was very thin. There was no capacity in the domestic market to buy this. So, the price may have been Rs.78 but in the international market the price was Rs.70. This gets explained by the levelling out of the market forces in the international market because after the sale also, the price has been lower on the dollar rate than the price at which it was sold. With regard to IPCL...(Interruptions)

SHRI S. JAIPAL REDDY : The same yardstick should have been applied in the case of ONGC also.

SHRI ARUN JAITLEY: Each sale will have to be decided on its own merits.

SHRI S. JAIPAL REDDY : Who will decide?...(Interruptions)

SHRI ARUN JAITLEY: Sir, in the case of GAIL, the advice was otherwise. Well, this is not the first time it has happened that after taking a decision, you can withhold it. Take the case of Indian Oil. In 1996-97, disinvestment decision was taken but then it was withheld because of the market conditions. There may be turbulent market conditions, because of which you may hold on at one particular time...(Interruptions)

SHRI S. JAIPAL REDDY : Sir, I do not want to interrupt my friend. The point that all of us are trying to make is this. In the case of GAIL also, this should have been allowed. You should have withheld...(Interruptions)

MR. SPEAKER: Shri Jaipal Reddy, please do not interrupt the Minister.

SHRI ARUN JAITLEY: Sir, let me clarify that in the case of GAIL, the price in the international market was the price at which it was obtained.

Two more questions have been raised. With regard to IPCL, the matter is still under process. No final decision in the matter has been taken. The questions which have been raised even in the course of the earlier debate will all be taken into consideration when the Government takes a decision in this particular matter.

Suggestions have been made with regard to the Comptroller and Auditor General. Earlier, the point had been raised in a different context. ..(Interruptions)

SHRI PRIYA RANJAN DASMUNSI : Are you prepared to have a re-look and investigation into the GAIL matter?...(Interruptions)

SHRI ARUN JAITLEY: Sir, the matter has been processed in the past in a particular manner. It would continue to be regulated and processed in the same manner in regard to every transaction, including the GAIL transaction. Merely because somebody wants to raise an issue, a new process cannot be found in that particular case.

I would like to suggest that our effort is going to be transparency and to be able to get the best...(Interruptions)

श्री प्रवीण राष्ट्रपाल : आई.पी.सी.एल. के बारे में जवाब नहीं दिया।

SHRI ARUN JAITLEY: I have said that the matter is still under consideration of the Government and, therefore, the suggestions which have been made with regard to IPCL, will be borne by us in mind when we take a final decision. Our effort is going to be to have the maximum return, the best public interest being subserved and the maximum transparent processes to be followed in the future transactions. Thank you, Sir.

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MR. SPEAKER: Now we shall take up Private Members" Business. Shri Aditya Nath.

... (Interruptions)

SHRI PRIYA RANJAN DASMUNSI (RAIGANJ): Sir, will you accept the demand for investigation by a committee of the House?...(Interruptions) Why do you not accept the demand for a committee of the House to conduct investigation into the GAIL matter?...(Interruptions)

SHRI BASU DEB ACHARIA (BANKURA): Sir, why is the Minister afraid of that?...(Interruptions) Sir, since the Minister is not agreeing to this demand, we are walking out.

15.18 hours

(At this stage, Shri Basu Deb Acharia and some other

hon. Members left the House.)

SHRI PRIYA RANJAN DASMUNSI : Sir, since the Minister is not agreeing to our demand, we are walking out in protest...(Interruptions)

15.18 1/2 hours

(At this stage, Shri Priya Ranjan Dasmunsi and some other

hon. Members left the House.)

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(त्पश्चात डा. रघुवंश प्रसाद सिंह तथा कुछ अन्य माननीय सदस्यों ने सदन

से बहिर्गमन किया।)

SHRI P.H. PANDIYAN (TIRUNELVELI): Sir, as a protest, we are also walking out on behalf of our party, AIADMK.

15.19 hours

(At this stage, Shri P.H. Pandiyan and some other

hon. Members left the House.)

PROF. A.K. PREMAJAM (BADAGARA): Sir, do I not deserve an answer from the Minister?

MR. SPEAKER: Madam, please take your seat.

PROF. A.K. PREMAJAM : Sir, as a protest, I am also going out.

15.19 hrs.

Ban on Cow Slaughter Bill